

2001 ADDENDUM

Use to Supplement 1995/96 Campaign Disclosure
Manuals A-E

Information Manual A

Officeholders/Candidates and Their Controlled Committees

Information Manual B

Non-Controlled Committees Primarily Formed to Support or Oppose
Specific State or Local Candidates

Information Manual C

General Purpose Recipient Committees (Political Action Committees)

Information Manual D

Ballot Measure Committees

Information Manual E

Independent Expenditure and Major Donor Committees

Fair Political Practices Commission

428 J Street, Suite 620 Sacramento, CA 95814

Toll-Free: (866) ASK-FPPC Fax: (916) 322-3711 Website: www.fppc.ca.gov

About This Addendum

This 2001 Addendum is for use in conjunction with the Fair Political Practices Commission's 1995/96 campaign disclosure manuals. The Addendum summarizes regulatory and statutory changes to the campaign disclosure provisions of the Political Reform Act since publication of the campaign manuals. It also highlights changes made to several campaign forms. The Addendum supersedes the campaign manuals where there are discrepancies in the information presented. The Addendum also replaces the 2000 Addendum issued in February 2000.

Do not rely on the information contained in this publication alone to ensure compliance with the Act. Both the Political Reform Act¹ as Amended to January 1, 2001, and the Commission's campaign disclosure manuals should be used to supplement this Addendum.

Information on the following topics is included in this Addendum:

◆ Proposition 34

- New Prohibitions and Restrictions
- New Online Reporting Requirements
- Contribution and Voluntary Expenditure Limits—State Candidates, Officeholders and Committees Only

◆ Campaign Reporting

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¹ The Act is contained in the California Government Code, sections 81000-91014, and is available from the FPPC or on the FPPC website at www.fppc.ca.gov. Commission Regulations appear at Title 2, Division 6, California Code of Regulations sections 18000, et seq.

Introduction

The FPPC: Who We Are

The Fair Political Practices Commission was created by the Political Reform Act of 1974, a ballot initiative passed by California voters as Proposition 9.

The Commission is a bipartisan, independent body of five members that administers and enforces the Political Reform Act's rules on conflicts of interest, campaign contributions and expenditures and lobbying disclosure. Supporting the Commission is a staff of 80 employees in the Administration, Technical Assistance, Legal and Enforcement Divisions.

The Commission educates the public and public officials on the requirements of the Act. It provides written and oral advice to public agencies and officials; conducts seminars and training sessions; develops forms, manuals and instructions; and receives economic interest statements filed by many state and local officials.

The Commission investigates alleged violations of the Political Reform Act, imposes penalties when appropriate and assists state and local agencies in developing and enforcing conflict-of-interest codes.

The Governor appoints two commissioners, including the chairman. The Secretary of State, the Attorney General and the State Controller each appoint one commissioner. Commissioners serve a single, four-year term, and no more than three members can be registered with the same political party. The chairman is salaried and full-time while the other four members serve part-time.

The Commission generally meets once each month to hear public testimony, issue opinions, adopt regulations, order penalties for violations of the Act and take other action.

The FPPC Website — Better than Ever

The FPPC website (www.fppc.ca.gov) has a new look and more user-friendly help, information and products for Internet users.

The FPPC website offers an overview of the subjects covered by the Political Reform Act and a description of the FPPC.

Users can easily access current news, announcements and schedules of FPPC seminars and other Commission meetings. Users can also download and print FPPC forms, and fill out the Statement of Economic Interests (Form 700) interactively. In addition, 2001 and 2002 campaign filing schedules for the different types of committees are located on the website.

A library link gives access to the current and past issues of the FPPC *Bulletin*, the entire Political Reform Act, FPPC regulations, plus guides and fact sheets about campaign and lobbying disclosure, conflict-of-interest provisions and important information regarding Proposition 34.

The library also contains comprehensive information about rules regarding gifts, honoraria, travel and loans, restrictions on post-governmental employment and past enforcement cases.

Visitors can learn how to file a complaint with the FPPC's Enforcement Division and, at the same time, read a list of subjects not under the jurisdiction of the FPPC (such as federal elections). Internet links and additional contact information are given for the agencies that have jurisdiction over these other laws.

In addition, the site features a "feedback" service for suggestions, criticism, praise or other messages from users.



A good idea —

Call for toll-free advice at:
1-866-ASK-FPPC

Proposition 34, a ballot measure passed by the voters on November 7, 2000, added new campaign finance provisions and made some changes to the disclosure and enforcement provisions of the Act. Proposition 34 took effect on January 1, 2001. Some important provisions of Proposition 34 are incorporated throughout this Addendum; others are highlighted below. (Chapter 102, Stats. 2000; effective January 1, 2001.)

Throughout the year, the Commission will adopt regulations and issue advice to implement and interpret Proposition 34. The FPPC website will continue to be an up-to-date source of Proposition 34 information.

Certain provisions will not affect statewide elected officeholders, candidates for statewide offices, and their controlled committees until November 6, 2002. (See the chart on page 5.)

Contribution and Expenditure Limits for State Candidates and Committees:

- *Contribution Limits.* Contributions to candidates for elective state office and to committees, including political parties, for the purpose of making contributions to candidates for elective state office are subject to limits. (See the chart on page 5.) (Sections 85301-85303.)
- *Voluntary Expenditure Limits.* Candidates for elective state office must state in writing whether they accept voluntary expenditure limits established for each election. FPPC Form 501 has been revised to implement this new requirement. Candidates who accept the expenditure limits are designated in the ballot pamphlet and may purchase space in the pamphlet for a statement. (See the chart on page 5.) (Sections 85400-85403.) Expenditure limits do not apply to candidates for the CalPERS Board.
- *Lobbyist Prohibition.* A lobbyist may not make a contribution to an elected state officer or a candidate for elective state office if the lobbyist is registered to lobby the agency of the elected state officer or the agency to which the candidate is seeking election. (Section 85702.)

Restrictions Affecting State and Local Committees:

- *Contributor occupation and employer.* As in years past, committees must disclose the occupation and employer of any individual who contributes \$100 or more during a calendar year. Under Proposition 34, however, if occupation/employer

information is not obtained within 60 days, the contribution must be returned. (Section 85700.)

- *Independent expenditures by candidate controlled committees.* Candidates are prohibited from using campaign funds to make independent expenditures to support/oppose other candidates or ballot measures. (Section 85501.)
- *Receipt of laundered campaign funds.* If a committee receives contributions through an intermediary and the required information about the true source of the funds is not properly disclosed, the committee must pay the funds to the State General Fund. (Section 85701.)
- *Contributions by spouse or minor children.* Spouses may make separate contributions. A contribution made by a child under 18 is presumed to be a contribution from his or her parent or guardian. (Section 85308.)
- *Late independent expenditures.* A committee that makes independent expenditures supporting or opposing a candidate or ballot measure during the last 16 days before an election must disclose contributions received since the committee's last report as well as the independent expenditures made. (Section 84204.) FPPC Form 496 has been revised to implement the new requirement.
- *Ballot measure spokespersons.* An individual who has been paid or promised \$5,000 or more for an appearance in a printed or broadcast advertisement supporting or opposing the qualification, passage, or defeat of a state or local ballot measure must file a report disclosing that fact. The advertisement must include a statement indicating that the individual has been paid. (Section 84511.)

If SB 34 is enacted, this will replace the preceding paragraph:

- *Ballot measure spokespersons.* A committee that makes an expenditure of \$5,000 or more to an individual to appear in an advertisement to support or oppose a ballot measure must report the expenditure within 10 days. The advertisement must include a statement indicating that the individual has been paid. (Section 84511; amended by Chapter _____, Stats. 2001.)
- *Communications to members, employees, or shareholders.* Communications supporting or opposing candidates or ballot measures that are made by an organization to its members, employees, shareholders, or their family members are not contributions or independent expenditures. (Section 85312.)

Proposition 34

If SB 34 is enacted, this will replace the preceding paragraph:

- *Communications to members, employees, or shareholders.* Communications supporting or opposing candidates or ballot measures that are made by an organization to its members, employees, shareholders, or their family members are not contributions or expenditures. However, payments made by a political party for such communications must be reported in detail if they would otherwise qualify as contributions or independent expenditures. (Section 85312; amended by Chapter _____, Stats. 2001.)
- *Advertisements.* Certain disclosure requirements for advertisements were enacted by Proposition 208 in November 1996, and were enjoined by the Federal District Court. Due to passage of Proposition 34 and resolution of the Proposition 208 litigation, most of these provisions are once again in effect. (Sections 84501-84509.)
- *Administrative penalties.* The maximum administrative penalty for violations of the Act increased from \$2,000 to \$5,000 per violation. (Section 83116.)

New Online Reporting Requirements for State Candidates and Committees:

- *24-hour reports of contributions received by candidates for elective state office and state ballot measure committees.* Candidates for elective state office (including candidates for statewide office) and state ballot measure committees that have an existing obligation to file campaign statements online or electronically with the Secretary of State have an additional online filing requirement. If a contribution of \$1,000 or more is received during the 90 days preceding an election, a report must be filed online or electronically within 24 hours. The Form E497 Electronic/Late Contribution Report, will be used to comply with this reporting requirement. (Section 85309.)

If SB 34 is enacted, this will be added:

- *10-day reports of contributions received by candidates for elective state office and state ballot measure committees.* Candidates for elective state office and state ballot measure committees that have an existing obligation to file campaign statements online or electronically with the Secretary of State also must file a report within 10 business days if a contribution of \$5,000 or more is received any time prior to the 90-day election cycle (when the 24-hour reports discussed above are required). The report must

be filed online or electronically using the Form E497 Electronic/Late Contribution Report. (Section 85309.)

Example: On November 27, 2001, a candidate for Lt. Governor on the March 5, 2002, ballot received a contribution of \$6,000. Within 10 business days, the candidate must report the contribution online or electronically to the Secretary of State. On December 19, 2001, the candidate received a contribution of \$10,000. Within 24 hours, the candidate must report the contribution online or electronically to the Secretary of State.

- *Independent expenditures supporting/opposing candidates for elective state office.* Committees that have an existing obligation to file campaign statements online or electronically with the Secretary of State have an additional online filing requirement. If a committee makes an independent expenditure of \$1,000 or more to support or oppose a candidate for elective state office during the 90 days preceding an election, a report must be filed online or electronically. The Form E496 Electronic/Late Independent Expenditure Report, will be used to comply with this filing obligation. (Section 85500.)

Example: On January 23, 2002, a committee paid \$2,300 for a phone bank to oppose a candidate for elective state office on the March 5, 2002 ballot. The committee must report the independent expenditure online or electronically within 24 hours.

- *"Issue advocacy" disclosure requirements.* Persons who spend \$50,000 or more for a communication disseminated within 45 days of an election that clearly identifies a state candidate, but does not expressly advocate the election or defeat of that candidate, must file a report within 48 hours. The report must be filed online or electronically with the Secretary of State using the Form E530. (Section 85310.)

Example: A lobbyist employer who has promoted a bill on child care legislation wants to inform the public about a legislator's role in sponsoring the bill by renting a billboard valued at \$100,000 which says, "Thank you, Assemblymember Smith, for protecting the future of California's children." If the communication is made within 45 days of the election in which Assemblymember Smith is a candidate, the lobbyist employer must electronically disclose the payment for the billboard within 48 hours.

Proposition 34

The text of Proposition 34 and other important information are available on the Commission's website (www.fppc.ca.gov) or call our toll-free advice line at 1-866-ASK-FPPC (1-866-275-3772).

Questions and Answers:

- Q.** A city is having a special election. Do Proposition 34 contribution limits apply?
- A.** No. There are no state-imposed contribution limits for local elections. Check with the city for any local requirements.
- Q.** A state general purpose committee files reports electronically. If the committee makes a late independent expenditure supporting a candidate in a local election, are Forms 465 or 496 required to be filed online?
- A.** No. Since the Forms 465 and 496 would be filed in the local jurisdiction, the state electronic filing requirements are not imposed.
- Q.** Does Proposition 34 impose an aggregate cap on the total amount one person can contribute in connection with state elections?
- A.** No. A person may make an unlimited amount of contributions provided that no one state candidate or committee has received over the applicable limit from that person or committee.
- Q.** Must a state candidate receive separate checks, one for the primary election and one for the general election?
- A.** No. The candidate may receive one contribution. If the candidate receives a \$6,000 check, he/she will disclose on the Form 460 that \$3,000 was allocated to the primary election and \$3,000 was allocated to the general election. If the candidate is defeated in the primary election, contributions earmarked for the general election must be returned to contributors less any administrative expenses.

Proposition 34 Contribution Limits for State Candidates, Officeholders, and Committees

Per Election Limits on Contributions to State *Candidates*

Contributor	Legislature (Effective 1/1/01)	Statewide Elected Officers (Effective 11/6/02)	Governor (Effective 11/6/02)
Person	\$3,000	\$5,000	\$20,000
Small Contributor Committee	\$6,000	\$10,000	\$20,000
Political Party	No limit	No limit	No limit

Calendar Year Limits on Contributions to State *Committees*

Contributor	Committee (Not Political Party) for State Candidates (Effective 1/1/01)	Political Party for State Candidates (Effective 1/1/01)	Committee/Political Party Not for State Candidates (Effective 1/1/01)
Person	\$5,000	\$25,000	No limit

Notes:

- A “person” includes an individual, firm, partnership, corporation, committee and any organization or group of persons acting in concert.
- A “small contributor committee” is one that has been in existence for more than six months; receives contributions from 100 or more persons; makes contributions to five or more candidates; and has not received more than \$200 from one person in a calendar year.
- Limits do not apply to a candidate's personal funds contributed to his/her campaign. However a candidate may carry a balance of no more than \$100,000 in personal loans to his/her campaign.
- Candidates for elective state office may contribute no more than \$3,000 per election from personal or campaign funds to another candidate for elective state office.

Proposition 34 Voluntary Expenditure Limits for Candidates for Elective State Offices

Office	Primary/Special Election	General/Special Runoff Election
Assembly (Eff. 1/1/01)	\$400,000	\$700,000
Senate (Eff. 1/1/01)	\$600,000	\$900,000
Governor (Eff. 11/6/02)	\$6,000,000	\$10,000,000
Lt. Governor, Attorney General, Insurance Commissioner, Controller, Secretary of State, Supt. Of Public Instruction, Treasurer (Eff. 11/6/02)	\$4,000,000	\$6,000,000
Board of Equalization (Eff. 11/6/02)	\$1,000,000	\$1,500,000

The text of Proposition 34 and other important information are available on the Commission's website (www.fppc.ca.gov) or call our toll-free advice line at 1-866-ASK-FPPC (1-866-275-3772).

Campaign Reporting

Reporting Thresholds Raised

Legislative amendments to the Act raised the threshold at which several campaign reports must be filed. (Chapter 130, Stats. 2000; effective January 1, 2001.)

Salary Exception Increase

During a non-election year, officeholders whose salaries are less than \$200 (formerly \$100) per month are not required to file Forms 470 or 460 unless they receive contributions or make expenditures during the six-month period covered by the semi-annual statement. (Section 84200.)

Special Odd-Year Report

The reporting threshold for the special odd-year report has increased from \$5,000 to \$10,000. (Section 84202.7.)

Form 465 — Supplemental Independent Expenditure Report

The reporting threshold for the Form 465 — Supplemental Independent Expenditure Report has increased from \$500 to \$1,000. (Section 84203.5.)

Form 495 — Supplemental Pre-Election Campaign Statement

The reporting threshold for Form 495 — Supplemental Pre-Election Campaign Statement has increased from \$5,000 to \$10,000. (Section 84202.5.)

March Election Filings

Candidates, committees, and slate mailer organizations involved in the March State Primary Election — and any local election held on the same date — may be required to file an additional (odd-year) report and an early semi-annual report before the election. For the period ending September 30 of the year prior to the election, a filing is due on October 10. For the period ending December 31 of the year prior to the election, the semi-annual statement is due on January 10, rather than January 31.

Candidates running in a March election and committees primarily formed to support or oppose candidates or ballot measures being voted on in a March election must file both the October 10 and January 10 reports. Slate mailer organizations and other candidates and committees that meet certain expenditure thresholds also must file the reports. Filing schedules for the 2002 March election are posted on the FPPC website (www.fppc.ca.gov).

(Sections 84200.3 and 84200.4; Chapter 158, Stats. 1999; amended Chapter 433, Stats. 1999.)

Assistant Treasurer

A recipient committee may designate one assistant treasurer on the committee's Statement of Organization (Form 410). The assistant treasurer will assume the duties and responsibilities of the treasurer if the treasurer is unavailable or vacates the office of treasurer. For example, if the treasurer is out of town when a campaign statement is required to be filed, the assistant treasurer may sign the campaign disclosure statement. (Regulation 18426.1.)

Zip Codes Now Required on Campaign Disclosure Statements

Zip codes are required when reporting street addresses on campaign disclosure statements. When the Secretary of State provides information on the Internet under the electronic filing provisions, only the contributor's name, city, and zip code will be displayed. To protect an individual's privacy, the street address will not be shown on the Internet. (Regulation 18421.2.)

Termination of Candidate and Committee Filing Requirements

Only recipient committees are required to "terminate" their filing obligations and a new termination section has been added to the Form 410 — Statement of Organization. The following forms are no longer required to be filed to terminate your filing obligations:

- Form 415, Recipient Committee Statement of Termination
- Form 416, Officeholder/Candidate Statement of Termination
- Form 501 — Candidate Intention Termination
- Form 502 — Candidate Bank Account Termination

(Regulation 18404.)

A Question and Answer:

- Q.** A non-incumbent candidate who lost the election did not raise or spend \$1,000 or more in the calendar year. What does the candidate file after the election?
- A.** The candidate's campaign filing obligations automatically terminate following the election. No additional FPPC forms are required. A candidate who raises or spends \$1,000 or more in a

calendar year is a recipient committee and has continuing filing requirements until he or she is eligible to terminate and has filed a Form 410 termination.

Personal Payment for Candidate Filing Fee/Ballot Statement Fee

Payments from a candidate's *personal* funds for either a filing fee for a declaration of candidacy or a ballot statement fee are not reportable contributions or expenditures. Candidates may be reimbursed for these payments from campaign funds. The reimbursement is reported as an expenditure on the Form 460, Schedule E. (Chapter 394, Stats. 1997; effective January 1, 1998.) (Sections 82015 and 82025.)

Payments for the filing fee or ballot statement fee from *campaign* funds continue to be reportable expenditures on the Form 460, Schedule E. In addition, a third party payment of the filing fee or ballot statement fee is an in-kind contribution to the candidate and is reported on the Form 460, Schedule C.

Faxing Campaign Statements

Campaign statements that contain 30 pages or less may be faxed provided that the faxed copy of the campaign statement is the exact copy of the original version. The original version must be sent by first-class mail, guaranteed overnight delivery, or delivered personally within 24 hours of the applicable deadline. (Chapter 394, Stats. 1997; effective January 1, 1998.) (Section 81007.5.)

Form 470 Supplements, late contribution reports, and late independent expenditure reports are not required to be mailed if the reports are faxed because these reports do not require signatures.

Judges' Filing Requirements

Judges who are unopposed and, therefore, will not be listed on the ballot, will no longer have to file a Form 470 if they will not receive contributions or make expenditures. Payments from a candidate's personal funds for a filing fee for a declaration of candidacy are not considered contributions or expenditures.

Reporting Late "In-Kind" Contributions

A late "in-kind" contribution is a contribution of goods or services made to a candidate, controlled committee, or primarily formed committee, during the 16 days prior to the election in which the candidate or ballot measure is to be voted on. An in-kind

contribution is made by the contributor and received by the recipient on the earliest of the following dates:

- The date funds are expended by the contributor for goods or services, if the specific expenditure is made at the behest of the recipient; or
- The date the recipient or its agent obtains possession or control of the goods or services; or
- The date the recipient otherwise receives the benefit of the expenditure.

Provisions regarding late "in-kind" contributions are summarized below.

- A committee that makes a late in-kind contribution must:
 - Send the recipient of the in-kind contribution a notice of the value of the contribution. The notice must be received by the recipient within 24 hours of the time the contribution was made. There is no standardized form for the notice; however, the Late Contribution Report, Form 497, may be used. The notice must be delivered by personal delivery, fax, or guaranteed overnight mail and a copy maintained for recordkeeping purposes; *and*
 - File a late contribution report within 24 hours of the time the contribution was made.
- The recipient of the late in-kind contribution must:
 - File a late contribution report within 48 hours of the time the contribution was received.

(Chapter 77, Stats. 1995; effective January 1, 1996.) (Section 84203.3.)

Example:

On February 26, a city general purpose committee makes a late in-kind contribution to a city candidate running in the March 6 election. The value of the contribution is \$3,000. The following deadlines apply:

- *The candidate must receive a notice from the committee no later than February 27 stating the value of the contribution.*
- *The committee must file a late contribution report no later than February 27.*
- *The candidate must file a late contribution report no later than February 28.*

Campaign Reporting

Estimating Late “In-Kind” Contributions—Regulation 18425

On October 1, 1998, the Commission amended Regulation 18425 with regard to late contributions. When more than one in-kind contribution will be made by or received from a single contributor during the late reporting period, the regulation allows candidates and committees to file estimated late contribution reports. Common examples are in-kind contributions of phone banks and administrative services.

If the actual value of ongoing in-kind contributions is not known at the time of filing, a late contribution report containing a good faith estimate may be filed within the applicable 24 or 48-hour deadline described above. If, at any time after filing an estimated report, the candidate or committee knows that the value of the in-kind contribution differs from the estimated report by 20 percent or more (either up or down), the estimated report must be amended within 24 hours. The actual value of all late in-kind contributions must be disclosed on the candidate or committee’s next pre-election or semi-annual campaign statement.

Example:

From October 23 through October 29, the United Steamworkers PAC will contribute phone bank services to a candidate running in the November 6 election. On October 25, the value of the services reaches \$1,000, but the PAC does not know how much the total contribution will be. On October 26, the PAC notifies the candidate that an estimated contribution of \$2,000 will be made through October 29, and files a late contribution report reporting the \$2,000 estimate. The candidate must file a late contribution report no later than October 27, and may disclose the estimated amount.

On November 6, the PAC determines that the actual value of the contribution was \$2,500. Both the PAC and the candidate must file amended late contribution reports within 24 hours of the time they know the correct amount.

A copy of Regulation 18425 can be obtained from the FPPC website.

State Electronic Filing Program

In 1997, the Legislature enacted SB 49, the “Online Disclosure Act of 1997.” (Ch. 866, Stats. 1997; amended Ch. 433, Stats. 1999.) It requires state candidates and state committees to electronically file campaign disclosure reports.

Effective July 1, 2000, the electronic filing threshold triggers when contributions or expenditures, calculated from January 1, 2000, reach \$50,000. Once the electronic filing requirement has been triggered, all future reports must be filed electronically.

Notes:

- Generally, candidates and committees must continue to file paper reports even when they are filing electronically. (See page 4 for exceptions.)
- Candidates and committees may voluntarily file electronic reports.

Campaign disclosure information filed with the Secretary of State is posted on the Internet, giving California voters prompt access to campaign finance information.

The Secretary of State has published the following formats on its website (www.ss.ca.gov) for use in electronically submitting both campaign and lobbying disclosure information:

- California Electronic File Format (Published on Secretary of State’s website as .CAL)
- American National Standards Institute (ANSI) X.12 Transaction Set 113

To obtain further information about electronic filing, please contact the Secretary of State’s Office at (916) 653-6224.

New Requirement for Candidates for CalPERS Board to File Campaign Statements — Form 900

The Act was amended to require the six elected members and candidates for the board of administration of the Public Employees’ Retirement System to file campaign disclosure reports. The Form 900 – PERS Candidate Campaign Statement is filed with the Secretary of State, with copies retained by PERS. The FPPC has adopted regulations implementing the law. (Chapter 923, Stats. 1998; effective January 1, 1999.) (Sections 82023, 82024, 90001 and 84225.) (Regulations 18451, 18452 and 18453.)

Proposition 218 Election Filing Requirements

Proposition 218, a statewide initiative that was passed by the voters on November 5, 1996, requires voter approval of tax increases. The Commission does not interpret or enforce provisions of

Campaign Reporting

Proposition 218. For information concerning Proposition 218 elections, please contact the local elections office. However, the following advice applies to contributions received and expenditures made in connection with Proposition 218 elections:

Ballot Measure Elections

Elections held for general and special tax measures placed on a ballot for voter approval by local governments pursuant to the California Constitution, Article XIII C, are considered “ballot measures” under the Act. Expenditures and contributions made in support of, or in opposition to, these ballot measures are reportable and are covered under the reporting requirements of the Act. Refer to Information Manual D for further information concerning reporting obligations for ballot measure committees.

Mail Ballot/Protest Procedure

The mail-out ballot and protest procedure for assessment districts required by the California Constitution, Article XIII D, is *not* considered a measure or an election under the Act. Therefore, expenditures and contributions advocating the passage or defeat of the assessment are not reportable under the Act.

Form 460 – Recipient Committee Campaign Statement

In 1999, the three long forms used by campaign committees (Forms 419, 420, and 490) were combined into one form for use by all recipient committees.

In addition, several changes have been made as a result of legislative amendments to the Political Reform Act and the passage of Proposition 34 in November 2000.

Changes Include:

- To amend a previously filed Form 460, complete a new Form 460 Cover Page, check the amendment box, describe the change, and attach the amended schedules. Form 405 is no longer used.
- Non-monetary contributions are added to total contributions received and total expenditures made on the Summary Page (Lines 4 and 10).
- The summary page of the Form 460 no longer requires a summary of receipts and expenditures from the previous reporting period.
- Contributor codes have been added to Schedules A, B, and C.
- Expenditure codes for Schedules E, F, and G have been expanded.
- Payments reported on Schedules E, F, G, and H that are contributions or independent expenditures to support or oppose candidates, measures, and committees are now summarized on Schedule D.

Candidates: Payments made from personal funds to support or oppose other candidates, ballot measures, and committees are not reported on Form 460 as they were on the Form 490 Allocation Page, Part II. Instead, if you make personal contributions totaling \$10,000 or more during a calendar year to other candidates and committees, file Form 461 in addition to Form 460.
- Accrued expenses (unpaid bills) must now be continuously reported until they are paid. Schedule F has been revised. For detailed information, see *What's New With "Accrued,"* a fact sheet available from the FPPC or the FPPC website. (Regulation 18421.6.)
- Government Code section 84211 now requires that detailed information about outstanding loans be reported on Form 460 until the loans are repaid. Schedules B and H have been revised. (Chapter 853, Stats. 2000; effective January 1, 2001.) (Section 84211.)

- Payments made by an agent, independent contractor, or volunteer (subvendor payments) must be disclosed if the payment was \$500 or more. Previously, disclosure was required for payments of \$100 or more. (Chapter 853, Stats. 2000; effective January 1, 2001.) (Section 84303.)
- State Committees. Committees controlled by a candidate for elective state office and committees that make contributions to candidates for elective state office are required to identify the election associated with a contribution. In addition, candidates who accept the voluntary expenditure limit for an election must disclose the total amount of campaign expenditures associated with that election. For specific instructions, contact the FPPC.

Other Form Changes

Form 410 — Statement of Organization

The Form 410 incorporates the candidate's campaign bank account information formerly disclosed on the now-obsolete Form 502. A section for terminating a committee is also included on the Form 410. The previous Form 415, Statement of Termination, has been eliminated. In addition, the Form 410 now has a section for designating a small contributor committee. (Chapter 853, Stats. 2000; effective January 1, 2001.) (Section 84102.)

Form 450 — Recipient Committee Campaign Statement – Short Form

The Form 450 has been revised to require committees that make contributions to candidates for elective state office to identify the election associated with each contribution. For example a \$3,000 contribution to a State Assembly candidate for the 2002 primary election would be disclosed as "\$3,000 P-02."

Form 461 — Major Donor and Independent Expenditure Committee Statement

The Form 461 has been revised to look more like the Form 460 expenditure reporting schedules. The separate sections for reporting loan repayments and loan forgiveness have been eliminated. An amendment box to identify amended filings replaces the Form 405.

Form 465 — Supplemental Independent Expenditure Report

The Form 465 has been revised to reflect that the threshold for filing the report has increased from \$500 to \$1,000. (Chapter 130, Stats. 2000.)

Campaign Form Changes

Form 495 — Supplemental Pre-Election Campaign Statement

The Form 495 has been revised to reflect that the threshold for filing the report has increased from \$5,000 to \$10,000. (Chapter 130, Stats. 2000.)

Form 496 — Late Independent Expenditure Report and Form 497 — Late Contribution Report

These forms now require a filer-assigned “control” number so that filing officers and the public can distinguish among numerous duplicate filings that often occur during the rush of the late contribution period. An amendment identifier has also been added. The Form 496 now requires the disclosure of contributions received since the last campaign statement filed. The Form 497 looks more like the reporting schedules on the Form 460. In addition, there are separate pages for reporting late contributions received and late contributions made.

Form E496 — Electronic/Late Independent Expenditure Report and Form E497 — Electronic/Late Contribution Report

These are electronic forms for use by state candidates and committees that are required to file electronic or online reports with the Secretary of State. The e-forms are designed to be used for the new online/electronic reports added by Proposition 34 (see page 4) as well as for reporting late independent expenditures and late contributions.

Form 501 — Candidate Intention

The Form 501 has been revised to include Proposition 34 information related to voluntary expenditure limits for state candidates. In addition, the Form 501 is now filed in the following locations:

State Candidates:

Secretary of State
Political Reform Division
P.O. Box 1467
Sacramento, CA 95812-1467

Local Candidates:

Generally, the county election office, or for city candidates, the city clerk.

(Chapter 289, Stats. 1996; effective January 1, 1997; Chapter 853, Stats. 2000; effective January 1, 2001.) (Sections 85200, 85401 and 85402.)

Form 502 — Campaign Bank Account Statement

The Form 502 has been eliminated. Disclose campaign bank account information on the Form 410 – Statement of Organization if \$1,000 is raised or spent. (Chapter 853; Stats. 2000; effective January 1, 2001.) (Section 85201.)

Form E530 — Issue Advocacy Report

This electronic form is for use by a person or entity that spends \$50,000 or more for a communication disseminated within 45 days of an election that clearly identifies a state candidate, but does not expressly advocate the election or defeat of that candidate. The Form E530 is filed with the Secretary of State. This reporting requirement was added by Proposition 34 (see page 4).

General Information on When to File Campaign Statements

The law sets specific deadlines for when campaign disclosure statements (Forms 460, 450, and 425) must be filed. Most campaign committees file two semi-annual statements each year. Additional statements are required when an individual is listed on a ballot and when a committee is raising or spending money in connection with an election. Filing schedules also vary depending upon whether the committee qualifies as a state, county or city committee.

Contact the FPPC at 1-866-ASK-FPPC or your filing officer for filing schedules and other information. The FPPC's website contains filing schedules for most state committees and elections.

Semi-Annual Statements. Most committees file a semi-annual statement for each half of the year, whether or not they receive contributions or make expenditures during the six-month period. Exceptions apply to certain major donor committees, independent expenditure committees, unpaid officeholders and judges.

The first semi-annual statement is due July 31 and covers the period January 1 through June 30. Except as noted, the second semi-annual statement is due January 31, and covers the period July 1 through December 31. Committees active in the March state primary election file the second semi-annual statement on January 10, rather than January 31.

Pre-Election Statements. Most candidates and ballot measure committees must file pre-election statements 40 days and 12 days before an election. Certain general purpose committees (political action committees), city major donors and city independent expenditure committees may also file pre-election statements depending upon the amount of contributions or expenditures made in connection with an election. State and county major donor and independent expenditure committees do not file pre-election statements.

In addition to semi-annual and pre-election statements, a committee may be required to file additional reports based on the timing and amount spent in connection with political activities:

Quarterly Statements:

Applies to primarily formed ballot measure committees.

Supplemental Pre-Election Campaign Statements:

Applies to certain committees that contribute \$10,000 or more in connection with an election when pre-election statements are not required.

Late Contribution Reports:

Applies to certain committees that receive or make contributions of \$1,000 or more during the 16 days before an election.

Late Independent Expenditure Reports:

Applies to committees that make independent expenditures of \$1,000 or more during the 16 days before an election.

Supplemental Independent Expenditure Report:

Applies to committees that make independent expenditures of \$1,000 or more.

Special Odd-Year Report:

Applies to committees that make contributions of \$10,000 or more to state officeholders during the first quarter of an odd-numbered year.

New Online Reports:

Applies to certain state committees (see page 4).

Prohibitions/Restrictions

Ban on Foreign Government or Foreign Principal Contributions/Expenditures for Ballot Measures

Foreign governments and foreign principals are prohibited from making, directly or through any other person, contributions, expenditures, or independent expenditures in connection with the qualification or support of, or opposition to, any state or local ballot measure.

Persons (including individuals, corporations and business entities) and committees under the Act may not solicit or accept contributions from foreign governments or foreign principals in connection with the qualification or support of, or opposition to, any state or local ballot measure.

The term “foreign principal” as defined in federal law at 22 U.S.C.A. section 611(b) includes:

- (1) A foreign political party;
- (2) A person outside the United States, unless it is established that the person is an individual and a citizen of the United States, or that the person is not an individual and is organized under or created by the laws of the United States or of any State or other place subject to the jurisdiction of the United States and has its principal place of business within the United States; and
- (3) A partnership, association, corporation, organization or other combination of persons organized under the laws of or having its principal place of business in a foreign country.
- (4) A domestic subsidiary of a foreign corporation if the decision to contribute or expend funds is made by an officer, director or management employee of the foreign corporation who is neither a citizen of the United States nor a lawfully admitted permanent resident of the United States.

Exception: This does not prohibit a contribution, expenditure or independent expenditure made by a lawfully admitted permanent resident. (Chapter 67, Stats. 1997; effective January 1, 1998; amended by Stats. 2000, Ch. 349; effective January 1, 2001.) (Section 85320.)

Note to Candidates The Federal Election Campaign Act (2 U.S.C.A. Section 441b and e) prohibits contributions from national banks, national corporations (or corporations established by an Act of Congress) and foreign nationals in connection with any local, state or federal election to political office. Contact the Federal Election Commission at (800) 424-9530 for more information.

Contributions Drawn from Account of Donor

Monetary contributions of \$100 or more may not be made in the form of a money order or cashier's check. These contributions must be made in the form of a written instrument containing the name of the donor and the name of the payee and drawn from the account of the donor or the intermediary. Contributions may continue to be made with a credit card. (Chapter 898, Stats. 1996; effective January 1, 1997.) (Section 84300.)

Candidate Contribution Solicitations

Government Code section 3205 prohibits a candidate for a local elective office from knowingly, directly or indirectly, soliciting a political contribution from any employee of his or her agency or from a person on an employment list of that agency. An exception applies if the solicitation for political contributions is a part of a solicitation made to a significant segment of the public. The Fair Political Practices Commission does not interpret or enforce this provision. For further information, please contact the Attorney General's Office at (800) 952-5225 or your district attorney. (Effective January 1, 1996.)

Election Expenditures by Local Agencies

Government Code section 54964 prohibits an officer, employee or consultant of a local agency from expending or authorizing the expenditure of any local agency funds to support or oppose a ballot measure or a candidate. Certain exceptions exist for informational activities or political activities of school or college districts. The Fair Political Practices Commission does not interpret or enforce this provision. For further information, please contact the Attorney General's Office at (800) 952-5225 or your district attorney. (Effective January 1, 2001.)

Violations of the Political Reform Act

A knowing or willful violation of the Act is a misdemeanor. Persons convicted of a misdemeanor may be disqualified for four years from the date of conviction from running for elective office in addition to other penalties which may be imposed. The Act also provides for administrative and civil penalties and damages for violations of the Act, as well as injunctive relief from the courts. The maximum administrative penalty for violations increased from \$2,000 to \$5,000 effective January 1, 2001.

If an individual is aware of a violation of the Act, he or she may file a complaint with the Commission's Enforcement Division. When preparing a complaint, care should be taken to provide as much specific information as possible, including documentation that supports the information described in the complaint (such as copies of campaign statements, minutes of meetings where governmental decisions were made, copies of checks and statements of witnesses).

A copy of a complaint form may be obtained from the FPPC website. A complaint may also be filed in the form of a letter that identifies the parties involved and the grounds on which a violation may have occurred. As a general rule, the identity of any person filing a complaint can be maintained in confidence and will not be disclosed to the public or the parties complained against.

The Commission has established a toll-free enforcement hotline that can be reached at 1-(800) 561-1861.

The Commission has jurisdiction over enforcement provisions of the Political Reform Act, including the following:

- Money laundering
- Conflicts of interests
- Mass mailing violations
- Campaign disclosure violations
- State lobbying violations
- Personal use of campaign funds

The Commission does not have jurisdiction over the following:

- False or misleading campaign materials
- Election fraud
- Violations of the Elections Code, Penal Code, Government Code section 1090, or any laws other than the Political Reform Act
- Federal campaigns (such as Congressional campaigns, etc.)
- Open meeting laws (Brown Act)
- Doctrine of Incompatible Activities
- Use of public funds

New Statute of Limitations Concerning Administrative Proceedings

Prior to January 1, 1998, the Act did not contain a specific statute of limitations regarding administrative proceedings. As of January 1, 1998, the statute of limitations for administrative actions alleging a violation of the Act is five years after the date on which the violation occurred. The service of the probable cause hearing notice upon the person alleged to have violated the Act constitutes the commencement of the administrative action.

If the person alleged to have violated the Act fails to produce subpoenaed documents by the date required by a superior court order, the five-year period will be tolled for the period of the delay from the date of filing of the motion to compel until the date the documents are produced.

If a person alleged to have violated a provision of the Act engages in fraudulent concealment of his or her acts or identity, the five-year period will be tolled for the period of concealment. "Fraudulent concealment" means the person knows of material facts related to his or her duties under the Act and knowingly conceals them in performing or failing to perform those duties, for the purpose of defrauding the public of information to which it is entitled under the Act. (Chapter 179, Stats. 1997; effective January 1, 1998.) (Section 91000.5.)

Campaign Information Resources

Fair Political Practices Commission

P.O. Box 807 (95812-0807)
428 J Street, Suite 620
Sacramento, CA 95814
Phone (916) 322-5660
Toll-Free: 1-866-ASK-FPPC
Fax (916) 322-0886
Website: www.fppc.ca.gov
Fax-on-Demand: (888) 622-1151

- Campaign Disclosure
- State Contribution Limits
- Conflict of Interest Disclosure
- Lobbying Disclosure
- Conflict of Interest Disqualification
- Proper Use of Campaign Funds

Reporting Enforcement Violations
(800) 561-1861

Secretary of State

Political Reform Division

P.O. Box 1467 (95812-1467)
1500 11th Street, Room 495
Sacramento, CA 95814
Phone (916) 653-6224
Fax (916) 653-5045
Website: www.ss.ca.gov

- Committee Identification Numbers
- Termination of Committees
- Online/Electronic Filing

Elections Division

(916) 657-2166

- Questions Relating to the Elections Code

Registrar-Recorder of Los Angeles County

Campaign Reporting Unit

12400 Imperial Highway
Norwalk, CA 90650
Phone (562) 462-2339
Fax (562) 651-2548
Website: www.co.la.ca.us/regrec/main.htm

City and County of San Francisco

Department of Elections

Room 48, City Hall
One Doctor Carlton Goodlett Place
San Francisco, CA 94102-4635
Phone (415) 554-4375
Fax (415) 554-7344
Website: www.ci.sf.ca.us/election

Federal Election Commission

Phone (800) 424-9530
Website: www.fec.gov

- Federal Campaign Disclosure
- Contributions from National Banks, National Corporations and Foreign Nationals

State Franchise Tax Board

Phone (800) 338-0505
Website: www.ftb.ca.gov

- Committee Tax Status
- Tax Deductible Contributions
- Charitable Non-Profit Groups
- Any Other Tax-Related Questions

Internal Revenue Service

Phone (800) 829-1040
Website: www.irs.ustreas.gov

- Federal Taxpayer I.D. Numbers
- Any other Tax-Related Questions
- Disclosure Rules for 527 Organizations

Attorney General

Phone (800) 952-5225
Website: www.caag.state.ca.us

- Brown Act Requirements

Current FPPC Campaign Disclosure Forms and Manuals

Campaign Disclosure Forms	Issued	Electronic Campaign Disclosure Forms (State Candidates and Committees)	Issued
Form 410 Statement of Organization	Jan/01		
Form 425 Semi-Annual Statement of No Activity	Jan/01	Form E496 Electronic/Late Independent Expenditure Report	June/01
Form 450 Recipient Committee Campaign Statement – Short Form	June/01	Form E497 Electronic/Late Contribution Report	June/01
Form 460 Recipient Committee Campaign Statement	June/01	Form E530 Issue Advocacy Report	June/01
Form 461 Independent Expenditure Committee and Major Donor Committee Campaign Statement	Aug/99	Campaign Disclosure Manuals	
		Manual A Officeholders/Candidates and their Controlled Committees	1995/96
Form 465 Supplemental Independent Expenditure Report	Jan/01	Manual B Non-Controlled Committees Primarily Formed to Support or Oppose Specific State or Local Candidates	1995/96
Form 470 Officeholder/Candidate Campaign Statement – Short Form and Form 470 Supplement	June/01	Manual C General Purpose Recipient Committees	1995/96
Form 495 Supplemental Pre-Election Campaign Statement	Jan/01	Manual D Ballot Measure Committees	1995/96
Form 496 Late Independent Expenditure Report	June/01	Manual E Independent Expenditure and Major Donor Committees	1995/96
Form 497 Late Contribution Report	June/01	Addendum	2001
Form 501	June/01	Slate Mailer Organizations	
Form 900 Public Employees' Retirement Board – Candidate Campaign Statement (State CalPERS Board filers only)	2001	Forms 400, 401, 402	1992
		Form 498	1999
		Manual F	1995/96